

**GOVERNMENT OF INDIA  
LABOUR AND EMPLOYMENT  
LOK SABHA**

UNSTARRED QUESTION NO:2066

ANSWERED ON:19.08.2013

CLUSTER SCHEME

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**Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:**

- (a) whether the Government has launched a cluster scheme for boosting employment in various sectors in the country including manufacturing sector where workers are facing various problems;
- (b) if so, the number of clusters set up in the country along with the sectors for which such clusters have been made and the areas in which such clusters have been made;
- (c) whether the Government has ever conducted any review of the difficulties being faced in operation of such cluster schemes in the country;
- (d) if so, the details of nature of the said difficulties; and
- (e) the details of the steps taken by the Government to address the said problems?

**Answer**

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI KODIKUNNIL SURESH)

(a) The Ministry of Micro, Small & Medium Enterprises (MSME), Government of India has adopted the cluster development approach as a key strategy for enhancing the productivity, competitiveness as well as for boosting employment and capacity building of Micro & Small Enterprises (MSEs) in various sectors including manufacturing sector. Under the Micro and Small Enterprises – Cluster Development Programme (MSE-CDP), Soft Intervention programme consist of activities which leads to creation of general awareness, counseling, motivation, trust building, exposure visits, market development, participation in seminars, workshops and training programmes on technology upgradation etc. Hard Interventions consist of setting up of Common Facility Centers, Common Production/Processing Centre, Design Centre, Testing Centre etc. In Infrastructure Development programme, infrastructural facilities are created / upgraded in the new/existing industrial areas/ clusters of MSEs.

(b) According to the Ministry of Micro, Small & Medium Enterprises (MSME), the Government does not set up industrial clusters, however under hard interventions, which is one of the components of the MSE-CDP Scheme, 25 Common Facility Centers (CFC) have been set up for existing clusters in different parts of the country covering various sectors. The details are at Annex.

(c) to (e) According to the Ministry of Micro, Small & Medium Enterprises (MSME), a review/evaluation of the scheme was taken up in the year 2008 with the help of Indian Institute of Public Administration (IIPA), New Delhi which mentioned the difficulties like restriction in the limit of CFC up to Rs. 10.00 crore, duration of soft interventions to be reduced, cost of soft interventions to be increased from Rs. 10.00 lakh, need for determining critical mass in a cluster etc. These difficulties in the operation of the scheme were examined and modified scheme was launched on 10th February 2010 with appropriate amendments addressing the difficulties in the operation.